

Welcome to Atradius

It is a pleasure to welcome you as an Atradius Customer!

Your credit insurance policy covers you against losses sustained in the event that your buyers cannot pay outstanding invoices, which allows you to carry out your business safely and effectively.

To assist you in the operation of your policy, this guide provides a general explanation of the most important rules. Please note this guide is for information only and you should rely on the policy terms and conditions which, in the case of any dispute, shall prevail.

If you have any further questions, please contact your broker or our Customer Service Desk, via 020 - 553 3355 or customerservice.nl@atradius.com.

Good luck with your business!

Table of contents

- 3 **Advantages of your policy**
- 4 **Credit limits**
 - 4 Credit limits in general
 - 4 Who should you apply for a credit limit on?
 - 4 When do you need to apply for a credit limit?
 - 4 How can you apply for a credit limit?
 - 4 How to apply for a credit check?
 - 4 How to use discretionary limits?
 - 5 Discretionary limits for non-vetted buyers?
 - 5 What are the costs of a credit limit application?
 - 5 What is the validity of my credit limit?
- 6 **Start and end of Cover**
 - 6 When does coverage start?
 - 6 Maximum extension period
 - 6 When does cover end?
- 6 **Collections**
 - 6 Credit management
 - 6 When to place your unpaid invoices for collection?
 - 7 How to transfer a collection case?
 - 7 What happens during collection?
 - 7 What are the possibilities to recover interest and costs from the buyer?
 - 7 What are the costs?
 - 7 How to be informed on the follow up?
 - 7 How long can a collection case take before it is closed?
- 8 **Claims**
 - 8 When can you submit a claim?
 - 8 How to submit a claim?
 - 8 When will your claim be paid?
 - 8 What happens after the claims settlement?
 - 8 What happens if the buyer disputes the debt?
- 9 **Premium**
 - 9 On what do you have to pay premium?
 - 9 How to declare your turnover?
 - 9 How is the premium calculated?
- 10 **Policy procedures**
 - 10 Credit risk cover
 - 11 Pre-credit (contract) risk and credit risk coveredietrisico

Advantages of your policy

What are the most important advantages of your Atradius Credit Insurance Policy?

Atradius gives you security:

We take over the risk of non-payment;

Vetting upfront:

Before you start to do business with your buyers you are informed about their creditworthiness, which avoids any unpleasant surprises. Atradius knows more than 45 million buyers and has good knowledge of the market thanks to our worldwide network. This enables you to do business easily with your buyers and expand into export markets;

Monitoring:

If we see any valid reasons to change our underwriting policy for a buyer we will inform you so you can take the necessary measures in time;

You can use your Atradius credit insurance to put pressure on your buyers to get earlier payment of your invoices;

Atradius will handle collections of all your unpaid debts. We shall try to obtain payment as soon as possible and with the lowest possible costs, as this will be in both our interests. The collections costs are in most cases also covered;

You can submit a claim with us in the event your buyer will become insolvent or if your buyer is unable to pay;

In most cases you will have a better credit facility and/or better conditions with your bank;

Your credit insurance is a business expense. Costs which are made for business purposes and which are related to your business, are deductible from taxes.

1

Credit limits

1.1 Credit limits in general

You need to have a credit limit on all buyers which are part of your insurance. The credit limit indicates the maximum amount you can trade up to with your buyer, which is covered by your policy. The credit limit needs to be applied and decided for immediately, but at the latest before the date of loss. There are different ways of establishing a credit limit:

1. For amounts below the Discretionary Credit Limit amount mentioned in your Policy Schedule, usually € 15,000, you can establish a credit limit decision yourself with respect of certain conditions;
2. You can always apply for a credit limit via our Customer Portal for any amount.

1.2 Who should you apply for a credit limit on?

You need to have a credit limit for every buyer you are doing business with, unless it is a buyer which is excluded from your policy. It is important that the amount of your credit limit is sufficient to cover the total amount outstanding with your buyer. If Pre Credit Risk is also covered under your policy, you have to add the amount of the work in progress.

Tip: Make sure that your credit limit is sufficient. Check on your credit limit letter whether the name of the buyer is the same as the company you are going to do business with. The National Registration Number can be of help.

Tip: If you are doing business on the basis of letter of credit, you should apply for a credit limit on the buyer and not on the bank.

1.3 When do you need to apply for a credit limit?

The best time for you to apply for a credit limit is before or close to finalising the agreement with your buyer. The latest possible date to apply for a credit limit needs to be before the date of loss.

1.4 How can you apply for a credit limit?

The quickest and most efficient way of applying for a credit limit is via our Customer Portal. You need to fill in the credit limit amount that is needed and in most cases you will find out immediately whether you have the required decision.

1.5 How to apply for a credit check?

You can also get a credit limit decision by doing a credit check via our Customer Portal. This possibility is open for applications up to €15,000; as mentioned in your policy document under credit check amount. If this credit check is positive, it means that you have a credit limit for the amount mentioned in your policy. If the credit check is negative, you do not have a credit limit on this buyer which means you are not covered for this buyer.

1.6 How to apply for a credit check?

You can establish your own credit limits. This can be done using an information report or on the basis of payment experience you already have with a buyer.

Discretionary credit limits based on credit reports means that you need to have a positive information report. This report cannot be older than 12 months and needs to be high enough for the credit limit. In addition to this, you need to be able to show that you have not had any losses on this particular buyer within the last 12 months.

Discretionary credit limits based on payment experience means that you can establish a credit limit based on the earlier payments you have received from a buyer within the maximum extension period. The total amount of these receipts will be your credit limit.

In both cases the maximum amount of the credit limit cannot be higher than the maximum discretionary credit limit as mentioned in your policy.

1.7 Discretionary limits for non-vetted

You can also establish a credit limit for buyers which are new to you and this is called a non-vetted buyer. You can do this for buyers in countries which are explicitly mentioned in your policy. The only condition to establishing a credit limit in this way is that you can identify the buyer with his correct identity and that you have no knowledge of any negative information regarding his financial position or reputation. The maximum amount of this specific credit limit is mentioned in your policy as non-vetted credit limit amount. For this way of establishing a credit limit, the indemnity is lower than your normal covered percentage.

Tip: If you establish a credit limit yourself, you need to be aware that all earlier methods of establishing a credit limit by Atradius are overruling your own. I.e. if Atradius has already given a nil decision for a specific buyer, you cannot establish a credit limit yourself.

1.8 What are the costs of a credit limit application?

For the costs of credit limit applications, we refer to the credit limit costs overview in your policy. You pay only once for the credit limit application for a certain buyer, irrespective of the amount applied for. Every new insurance year, we will charge you a renewal fee for the positive credit limits you have. This is including all positive credit checks.

Tip: All applications done in the last month of the insurance year we will renew the next year without any extra charges.

Tip: We would like to advise you to cancel the credit limit decisions and credit checks you no longer need before the end of the insurance year, to avoid being charged for renewal costs.

1.9 What is the validity of my credit limit?

A credit limit is valid until the date that Atradius withdraws the credit limit or lowers the amount. You can also inform us whenever you would like to cancel a credit limit if you are no longer doing business with a specific buyer. This is advisable, as this will stop us charging renewal fees for that buyer the following year.

2

Start and end of Cover

2.1 When does coverage start?

The cover starts as soon as the goods are dispatched. In the case of services, cover starts as soon as you have invoiced your buyer.

2.2 Maximum extension period

Your policy has a maximum extension period, in most policies this is 60 days. As long as the buyer pays his invoices within 60 days after the due date, you can safely do business as these invoices are covered under your policy. All payments received by you can be allocated to the oldest unpaid invoice. If the oldest unpaid invoice is unpaid for more than 60 days after the due date, we advise you stop doing any business with this buyer as cover under your policy will no longer apply.

If the buyer pays the invoice(s) between 60 and 90 days after the due date of the oldest unpaid invoice, and the oldest invoice(s) was (were) not outstanding for more than 60 days from the due date, you can start doing business again with this buyer.

Tip: After you have despatched the goods, the buyer can sometimes claim that he cannot pay on the due date. If he states he can pay within 60 days after due date than there is not a problem. However, if the buyer says it will take longer, you are advised to contact us as soon as possible to obtain further instructions.

2.3 When does cover end?

There are 4 situations where cover under the policy ends. We call this automatic stoppage of cover. It is very important to note when this happens, as all transactions done after this automatic stoppage of cover are not covered any longer.

1. The buyer has not paid the invoice which is still outstanding after the expiry of the maximum extension period;
2. You have transferred your invoices to a collection agency;
3. The buyer has become insolvent;
4. Your credit limit has been withdrawn.

3

Collections

3.1 Credit management

We expect you to have proper credit management procedures in place. If you have not received payment on the due date, we advise you to contact the buyer regularly and try to get the invoices paid.

3.2 When to place your unpaid invoices for collection?

One of the conditions of your policy is to place your unpaid invoice(s) for collection no later than 30 days after the maximum extension period. We would advise you to transfer these even sooner.

Please keep in mind that transferring unpaid invoices for collection results in automatic stoppage of cover. New transactions with the buyer will not be covered any longer.

Tip: Before you place your case for collection, we advise you to send a final dunning letter and hold the buyer responsible for the interest and cost that will occur during the collection process.

You can always communicate to your buyer that you prefer to settle, but that Atradius obliges you to transfer the collection case if no payment has been received within 30 days after expiry of the maximum extension period.

3.3 How to transfer a collection case?

The quickest and easiest way of transferring a case to Atradius collections is by using our Customer Portal. The only thing you have to do is fill in the required information and as soon as this is recorded in the system we can start collection, even the same day!

3.4 What happens during collection?

As soon as we have received all documentation, the case will be transferred to Atradius collections, our dedicated collection agency. They operate worldwide and will in the first instance try to collect the money in the fastest and most cost effective way, preferably extrajudicial. If this is not successful, a legal procedure will be started in the country of the buyer to obtain a court order to get full payment.

3.5 What are the possibilities to recover interest and costs from the buyer?

We shall always try to recover the maximum amount for interest and costs from the buyer. However, we are bound by local rules and law. Further to this, the costs should always be in proportion to the debt.

3.6 What are the costs?

The costs are shown in the collection agreement. As mentioned previously, we will always try to recover the collection costs with the buyer first. If this is not possible, then we will invoice you at closure of the case with the costs we have incurred. These costs are covered by your credit insurance if you have met all policy conditions, so you can claim these back from us!

3.7 How to be informed on the follow up?

Customer Portal offers you the possibility to follow the progress of your collection case on line. In addition to this you can always contact Atradius to speak with our specialist collection team. If we need any more information for the collection case, we will contact you directly and you will be informed of every relevant action taken by us.

3.8 How long can a collection case take before it is closed?

Unfortunately this is something we cannot answer as this is dependent on many circumstances, like the complexity of the case, the defence of the buyer, the local law, etc.

4

Claims

4.1 When can you submit a claim?

In the situations described, you can make a claim when:

1. The buyer is insolvent or
2. Six months after the due date and the unpaid amount is still outstanding.

It could be that you are also insured for political risks in your policy. We would therefore refer you to your policy document for the situations in which you can also claim

4.2 How to submit a claim?

The quickest and easiest way to make a claim is to use our Customer Portal. The only thing you have to do is fill in the required information and send all the relevant documentation. As soon as we have received this we can start assessing your claim.

4.3 When will your claim be paid?

If one of the occasions as described in 4.1 has occurred and we have received all necessary documentation, you will have a response from us within 30 days. If you have obeyed all policy terms and conditions we will indemnify you.

4.4 What happens after the claims settlement?

If Atradius has handled your claim, it does not necessarily mean that the case is closed. The collection of the debt will continue where the buyer has not yet paid in full and there is still a possibility to obtain payment. Even in the case of bankruptcy we will follow the case, until it is absolutely clear that no payment will be possible anymore.

This means that you will be informed of developments until the collection case is closed. Payments received after indemnification, as well as costs made, will be divided equally between you and Atradius. Our first priority of course, is that the buyer will pay his debts, even in the case that we have already indemnified you.

4.5 What happens if the buyer disputes the debt?

Credit insurance covers the payment risk of buyers and not the unwillingness to pay, for instance due to quality issues over the goods supplied. Therefore it is always important to answer the question: Is the buyer unable to pay or unwilling to pay?

In the case that the buyer disputes the debt, this dispute should be solved first. This can be done in a commercial way. If this is not successful, the only option left is to go to court or board of arbitration. The judge or arbiter will finally decide whether the buyer has the obligation to pay the debt.

One of the conditions for indemnification is that the obligation to pay should be clear. If this is not clear, we will postpone indemnifying you until this has been clarified.

5

Premium

5.1 On what do you have to pay premium?

You will pay premium on your insurable turnover. The premium percentages are mentioned in your policy. The percentage is dependant on different aspects, like credit terms, spread of risk, country of your buyers, your and/or our specific policy conditions, your trade sector, etc.

You can exclude the part that is explicitly excluded from cover in your policy from your turnover declaration. This will be your turnover with private individuals and often the VAT, turnover with public buyers and inter company turnover, unless this has been explicitly included for cover. Next to that all buyers that you have received a nil decision for from Atradius can be left out of the turnover declaration.

5.2 How to declare your turnover?

The quickest and easiest way to declare your turnover is to use our Customer Portal. This system enables you to declare your turnover online per buyer country.

5.3 How is the premium calculated?

We will calculate the premium according to the turnover you predict for the year. When you close a credit insurance contract with us, we will ask you what your expected turnover will be. Based on this turnover we will calculate the minimum premium and the advance premium. The advance premium will be invoiced to you monthly, quarterly, bi annual or annually. At the end of the insurance year we will reconcile the turnover and the premium already invoiced. This will result in either an invoice where we ask you to pay something extra or we will credit you, with respect of the minimum premium.

6

Policy procedures

6.1 Credit risk cover

Date of delivery/ sending, commence- ment of risk for Atradius, send invoice				
Commencement of credit. Invoicing period: please refer to your policy.	Due date of the invoice			
		60 days after due date: Automatic stoppage of cover		
		You are advised to hand over the outstanding amount for collection to Atradius.	30 days after expiry of maximum extension period: Transfer of collections	
			Hand over the outstanding amount via our Customer Portal to Atradius for collection.	6 months after due date: Protracted default
				If invoices are still unpaid, submit claim. You can claim earlier if the buyer has become insolvent before this date.
Credit term (your payment condition)	Maximum extension period (60 days, in some cases this term may deviate)	Expiry of maximum extension period	Waiting period	Claims examination
Example				
1 January Send invoice (payment term is 30 days from invoice date)	Your credit management	1 April Automatic stoppage of cover Pay attention: new shipments/invoices are not covered by the insurance!	1 May Place collection case with Atradius	1 August Protracted default

Note: This summary does not in any way replace or alter the policy provisions

6.2 Pre-credit (contract) risk and credit risk cover

Order acceptance, commencement of risk for Atradius					
Start of contract. The contractually agreed period for performance of the contract may not exceed the maximum pre-credit risk period specified in the policy.	Invoice date				
	End of contract performance, pre-credit risk period. Commencement of credit risk. For invoicing period please consult your policy.	Due date of the invoice			
			60 days after due date: Automatic stoppage of cover		
			You are advised to hand over the outstanding amount for collection to Atradius.	30 days after expiry of maximum extension period: Transfer of collections	
			Hand over the outstanding amount via our Customer Portal to Atradius for collection.	6 months after due date: Protracted default	
					If invoices are still unpaid, submit claim. You can claim earlier if the buyer has become insolvent before this date.
Contract performance/ pre-credit risk period (check your policy for the maximum term)	Credit term (your payment condition)	Maximum extension period (60 days, in some cases this term may deviate)	Expiry of maximum extension period	Waiting period	Claims examination
Example					
1 October (Written) order confirmation	1 January Send invoice (payment term is 30 days from invoice date)	Your credit management	1 April Expiry of maximum extension period, automatic stoppage of cover. Contact Atradius for orders in hand. Pay attention: new orders and new shipments/ invoices are not covered by the insurance!	1 May Place collection case with Atradius	1 August Protracted default

Note: This summary does not in any way replace or alter the policy provisions